

Policy Brief



2025: A Pivotal Year for National Defence in Canada

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For decades, Canada, a close ally of the United States, has relied on the latter's hegemony for protection. However, [Donald Trump's re-election and his policy of focusing on national priorities](#) have highlighted tensions in the unity and alliance between the two nations. Canada and the United States share many defence benefits, such as NORAD and the protection of international interests in the Arctic. Yet, the year 2025 begins with growing tensions between the two neighbours, fuelled by the interventionist stance of the 47th President of the United States, particularly on the issue of immigration.

Donald Trump's victory in the 2024 US presidential election marked a major turning point in US defence policy, with a renewed determination to reduce US military engagement with allies who do not meet their financial obligations, but also an annexationist agenda towards Canada. The main objective of Donald Trump's political manoeuvre on this issue is simple. He wants all NATO member countries to spend at least [2% of their GDP](#) on military expenditure. In 2024, Canada was [one of only two countries](#), along with Belgium, that had not met this target. The country had a participation rate of 1.37% of its GDP, which is 0.73% below the average. This considerable investment, representing approximately 16 billion of [Canada's 2,168 billion GDP](#), comes at a time when [Prime Minister Justin Trudeau announced his resignation](#) on 4 January 2025 and his successor came to power, seemingly intent on redefining the relationship between the two countries. A new era seems to be dawning for the country, marked by Canada's desire for independence from its closest ally.

The year 2025 promises to be a major challenge for Canada, which has had to deal with the consequences of the American protectionism imposed by the president-elect since February. The latter has repeatedly shown his willingness to reduce the United States' commitment to defending foreign interests. The pressure exerted by the American president reinforces the uncertainty surrounding the future of bilateral cooperation. He has also mentioned on several occasions that he would like to [make Canada the 51st state of the United States](#), revealing a barely concealed desire to annex its closest ally. To ensure this political manoeuvre, the US president did not hesitate to use [economic sanctions](#), a form of economic coercion aimed at forcing Canada to accept the US president's request. Canada was quick to retaliate by imposing [25% tariffs](#) on certain products from the United States.

This deterioration in international relations poses a risk to Canadian national defence, particularly with regard to NORAD, a radar system that is crucial for monitoring and protecting the skies over North America, on which Canada continues to rely heavily.

The purpose of this policy brief is to analyse the national security challenges raised by Donald Trump's re-election as President of the United States. It will highlight the key issues that the Canadian government will face over the next four years. In a constantly changing geopolitical context, characterised by shifts in the balance of power between major powers, Canada must expect the United States to adopt a more isolationist trade policy, prioritising its own interests at the expense of international cooperation.

It is time to take stock of the nation's operational capabilities

Canada has long slowed down the development of its military power, believing that threats to its territory and national interests were minimised thanks to the increased commitment of the United States in its favour. However, the year 2025 marks a significant change in bilateral relations between the two countries. The arrival in power of Donald Trump and his policy of prioritising his own country's interests has led to a deterioration in the historic relations between the two countries. This deterioration adds to the many challenges facing Canada, prompting the Canadian government to review its defence policy in order to ensure the protection of its sovereignty and its population.

In a [recent article](#) by Justin Massie and Philippe Lagassé published in Rubicon, it is pointed out that the Canadian Armed Forces (CAF) face significant challenges in terms of operational capabilities. The country is short of 16,000 regular soldiers, while the [state of readiness of military equipment](#) is a cause for concern: only 45% of the air fleet is said to be combat-ready, compared to 46% for the naval fleet. These worrying figures come at a time when deteriorating relations with Washington could increase pressure on Canada to ensure better maintenance of NORAD. This protection system is considered the cornerstone of North American defence. Staffing shortages, capacity deficits and international pressures highlight a certain vulnerability in the Canadian Armed Forces' ability to defend the nation's interests. According to an internal table from the Department of National Defence, [only 58% of the Canadian Armed Forces](#) would be ready to respond to a request for assistance from NATO countries.

However, the former Canadian government planned to invest considerable sums in upgrading its forces. The document entitled 'Capital Expenditures Planned Under Canada's Defence Policy' reveals a significant increase of \$51.5 billion since 2022, bringing the total budget from \$163.3 billion to [\\$214.8 billion over the next 20 years](#). This increase is mainly due to the renewal and upgrading of the army's land, air and sea equipment, as well as the NORAD modernisation project. This budgetary trend can be seen in the main expenditure budget for the 2024-2025 financial year, which allocates [\\$30.6 billion for equipment modernisation](#). This investment seems assured, given the new Canadian Prime Minister's stance on national security issues.

The decline of the Canadian Armed Forces is also due to the accumulation of [delays in the delivery of new equipment](#). Announced in 2017, several vehicles expected by the CAF had still not been delivered in 2024, leaving the equipment in a worrying state. Now, we will have to wait until 2025 to begin reviewing tenders to modernise the Canadian infantry's light armoured vehicles. Delivery is scheduled for 2030.

Canada must reconcile the need for renovation with the increased demands of its partners. This is a major challenge for the new government, which will have to work on the issue to ensure the protection of the country's sovereignty and the defence of its borders.

The threat from the United States and its potential impact on national security

The year 2025 could mark a turning point in diplomatic relations between Canada and the United States. The US President [recently carried out his threats against the Canadian government](#), threats that the US President justifies by Canada's mismanagement of migration flows and opiates. This political manoeuvre by the 47th President of the United States is fuelling existing concerns about future tensions between the two countries. This is especially true given that Donald Trump has raised the [possibility of withdrawing from NATO](#) and reviewing the participation of US forces in the protection of allied countries, such as Canada. Although this measure has not yet been implemented, the unpredictability of the new occupant of the White House suggests that it could become a reality.

The possible withdrawal of the United States from the North Atlantic Treaty Organisation would have a direct impact on Canada, particularly in the strategic region of the Far North Arctic, where geopolitical tensions have escalated since the start of the war in Ukraine. This is what Kim Richard Nossal shows in a [recent article](#). Canada has [close defence ties with the United States](#), notably through the North American Aerospace Defence Command, better known by its acronym 'NORAD'. Added to this are the US administration's requests for funding for the infrastructure needed to protect international interests, particularly for NORAD. This is all the more important given that it is crucial for the United States to continue to ensure NORAD's presence, as without it, the system could become [obsolete](#), given the budgetary and material constraints it entails.

The former government of Justin Trudeau had launched an ambitious funding plan to [modernise](#) the means of protection against new technologies developed by foreign powers such as Russia and China. This plan was the subject of an announcement by the new Canadian Prime Minister, who announced the development of a [transhorizon radar](#) in partnership with Australia. However, the Canadian Armed Forces' assessment remains the same, indicating stagnation in military capabilities and highlighting the country's "inability" to protect itself independently against these growing threats. This poses an organisational challenge for the country, especially as it must ensure its participation in joint missions to [protect the Arctic North](#) and in international interests related to NATO.

A transition to defence autonomy as a solution to US protectionist policy

Despite significant investments in defence, Canada lags significantly behind due to a less sustained policy based on the perception that threats to national security and sovereignty were only moderate. This approach is justified, among other things, by the country's strong diplomatic ties with several major world powers, some of which are international hegemons.

Canadians have always considered national defence to be secondary. [Surveys](#) and [opinions](#) on the subject clearly show that Canadians have historically relied on the military power of the United States to guarantee their security. However, the situation has changed dramatically. Today, the threat to Canada's sovereignty no longer comes only from outside North America's borders, but from within. Its long-time ally seems to want to reduce its commitment, leaving Canada with increasing responsibility for its own defence.

Faced with increased international pressure on Canada, including NATO requirements, US expectations, [escalating tensions in the Arctic](#) and Russia's omnipresent presence in the circumpolar region, there is no doubt that Canada is obliged to strengthen its defence autonomy in order to secure and fulfil its national and international commitments.

However, the [annual report of the Department of National Defence and the Canadian Armed Forces](#) on the activities of the Canadian Armed Forces for the year 2023-2024 highlights an improvement in operational capabilities and the achievement of several strategic objectives. However, it also highlights persistent structural flaws, such as a shortage of personnel, [ageing equipment](#) and a lack of financial resources commensurate with the country's ambitions.

Canada must continue to invest and diversify its international commitments beyond its historic relationship with the United States in order to ensure a sustainable transition to military autonomy, which now seems necessary. The current situation and diplomatic tensions between the two countries suggest that the United States may reduce its involvement in the defence of Canadian territory. This recent shift in diplomatic relations between the two nations should enable Canada to strengthen its military defence alliances with other countries, allowing it to distance itself from the United States and ensure a degree of military independence. Europe, France and the United Kingdom could be key partners in this large-scale project due to their capabilities in the defence industry and their independence from American dominance.

Recommendations

The year 2025 represents a turning point for Canada's national security, forcing the new government to strike the right balance between fiscal policy and significant investments in the country's defence. The country must become more self-sufficient militarily in order to preserve its sovereignty and maintain its place on the international stage. Mr. Carney's government must honour the commitments made by its predecessors to the Department of National Defence. This requires strengthening the operational capabilities of the Canadian Armed Forces, taking into account the investments needed to ensure the modernisation of equipment.

In addition, an investment plan should be launched to acquire [new icebreakers](#). This would strengthen the current fleet and ensure its commitments to protect national borders in the Far North Arctic region, an area subject to significant geopolitical tensions. It would also be appropriate to relaunch the study on the [deployment of a missile defence shield in the necessary areas](#) to ensure the sustainable and effective protection of the Canadian population against new threats. This idea could come to fruition following the announcement of a new partnership between Canada and Australia to develop a new over-the-horizon radar, as announced by the new Prime Minister during his [visit to Nunavut](#).

To guarantee its military autonomy from the United States, the Canadian government must strengthen its arms industry by supporting domestic companies. This would stimulate arms production on its territory and develop its arms manufacturing industry to ensure a permanent supply without being dependent on the American or European industry.

Canada should also strengthen its [collaboration](#) with other allied countries in order to break away from American dominance in the defence of North American territory. This collaboration could include the acquisition of European military equipment and the [development of international cooperation](#) in the defence of maritime borders, particularly in the Far North Arctic region. Diversifying the army's material resources would prevent the country from being subject to the United States, a scenario that would allow Canada to turn to European markets. Another idea would be to assemble aircraft in the country's factories, thereby reducing costs and developing the local economy in terms of armaments and defence, an idea that has been [put forward by the Canadian Prime Minister](#). If this approach were to materialise, it would be a real step towards the military autonomy sought by Canada, but at this stage there is no information to suggest that this will happen.